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Centers for Medicare & Medicaid Services
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CMS NEWS

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CMS Seeks Public Comment on Accrediting Organizations and Conflicts of Interest

Agency takes a close look at the financial relationships between Medicare-approved Accrediting Organizations and the healthcare facilities they monitor, in order to guide future policy

Today, the Centers for Medicare & Medicaid Services (CMS) issued a Request for Information (RFI) seeking comment on the financial relationships between CMS-approved Accrediting Organizations (AOs) and the healthcare facilities they review and monitor. Some AOs provide consulting services to the facilities they monitor and charge fees for these services. Today's RFI asks for public input on whether these consulting fees create conflicts of interest, as the same entity is both consulting for a given facility and monitoring whether that facility is accredited to participate in Medicare.

“We are concerned that the practice of offering both accrediting and consulting services – and the financial relationships involved in this work – may undermine the integrity of accrediting organizations and erode the public’s trust,” said CMS Administrator Seema Verma. “Our data shows that state-level audits of healthcare facilities are uncovering serious issues that AOs have missed, leading to high ‘disparity rates’ between the two reviews. We are taking action across-the-board to ensure the quality and safety of patient care through strengthened CMS oversight of AOs, and today’s RFI is a critical component of that effort.”

CMS approves Accrediting Organizations whose accreditation standards meet or exceed Medicare’s quality and safety requirements, so that the AO’s review can serve as an assessment of whether a facility is in compliance with Medicare’s requirements and can receive payment from Medicare. State agencies conduct follow-on reviews of select facilities to audit AO surveys, and a significant number of state audits have uncovered issues that AOs missed. The high “disparity rate” between state audits and AO reviews has led CMS to undertake a comprehensive analysis of its oversight of AOs. In addition to accrediting facilities, some AOs also provide consulting services, such as the following:

- Assisting clinical and non-clinical leaders, including administrators, in understanding standards for compliance;
- Reviewing a healthcare facility’s processes, policies, and functions;

- Identifying and providing technical assistance for changing areas in need of improvement; and
- Providing a simulation of a real survey, to include comprehensive written reports of findings, in advance of the AO's formal survey.

The information received through today's RFI will assist in developing potential future rulemaking or guidance. As part of this process, CMS will determine whether revisions should be made to the AO application and renewal process to identify actual, potential, or perceived conflicts of interest.

This RFI builds on efforts CMS announced in October 2018 strengthening the oversight of AOs, including increasing the transparency of AO findings and piloting a revised process for validating AO findings. CMS also released the FY2017 Report to Congress on AO performance this fall, which noted cases in which state agencies have identified quality issues that were missed by AOs, particularly for hospitals and psychiatric hospitals. CMS is finalizing the FY2018 Annual Report to Congress and expects similar findings using more recent data. The agency will continue to address these disparities while bolstering its oversight of AOs.

The Request for Information Notice can be downloaded from the *Federal Register* at: <https://www.federalregister.gov/public-inspection>.

For a fact sheet on today's Request for Information Notice, please visit: <https://www.cms.gov/newsroom/fact-sheets/medicare-program-cms-requests-stakeholder-feedback-accrediting-organizations-conflict-interest-and>

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